



SALARY COMMISSION
CITY AND COUNTY OF HONOLULU
530 South King Street, Room 202M
Honolulu, Hawaii 96813

MINUTES OF THE COMMISSION'S THIRD MEETING/PUBLIC HEARING:
APRIL 14, 2015

1. CALL TO ORDER

With a quorum present, Chair Sara Buehler called the meeting to order on April 14, 2015 at 1:30 p.m. in the Council's Committee Meeting Room.

2. ATTENDANCE

Commissioners present at the meeting: Sara Buehler, Chair; Brian Ahakuelo, Merle Kelai; Diane Peters-Nguyen, Kevin Sakamoto, and Guy Tajiri

Commission support staff present at the meeting: Sharleen Oshiro, Executive Secretary

Commission attorney present at the meeting: Ernest Nomura, Deputy Corporation Counsel

Others present: Director Carolee Kubo, Denise Miyahara, Lila Tom, and Cori Shinkawa, representatives from the Department of Human Resources

3. APPROVAL OF MINUTES

There was a motion by Commissioner Peters-Nguyen to approve and file the minutes of the January 30, 2015 meeting. Commissioner Sakamoto seconded the motion. Hearing no objections from the six Commissioners present, the minutes were approved.

4. PUBLIC HEARING

Chair Buehler asked for testifiers for the public hearing. There was no testimony from anyone in the audience.

Chair Buehler reminded Commissioners that at the last Salary Commission meeting, the Permitted Interaction Group (PIG) proposed the following recommendations:

- A. A proposed 2.5% increase for the salaries of all elected officials, including the Mayor, Councilmembers and Prosecuting Attorney.
- B. A proposed 2.5% increase for the salaries of the following appointed officials: Managing Director, Deputy Managing Director, First Deputy Prosecuting Attorney,

Department Heads, Deputy Department Heads, Medical Examiner, Deputy Medical Examiner, Royal Hawaiian Band Director.

- C. A proposed 5.5% increase for the following appointed officials: Police Chief, Fire Chief, Deputy Police Chiefs, Deputy Fire Chief.
- D. A proposed 2.5% increase for the schedule of salaries of the deputies of the prosecuting attorney and corporation counsel.

Chair Buehler explained that the Department of Human Resources has informed the Salary Commission that the City's system allows only whole semi-monthly dollar figures. The Department of Human Resources rounded the salary figures to the nearest whole dollar, which resulted in a slight variance in the percentages recommended by the PIG at the last meeting. Chair Buehler noted for the record that the proposed amounts listed on the Agenda are actual figures based on the 2.5% and 5.5% proposals. It was then asked if there were any objections or questions to the salary amounts as calculated by DHR.

Commissioner Tajiri requested that a member of the PIG explain how it arrived at 2.5% and 5.5% as noted above. PIG member Peters-Nguyen explained that the PIG met twice and looked at the past years' work of the Commission and the cost of living increases and the CPI information provided by DHR, and what was requested. The PIG did not want to compromise the previous years' work of the Commission and felt that the numbers recommended were fair and consistent with prior Commission recommendations. PIG member Peters-Nguyen also stated that the PIG reviewed data from similar areas/municipalities and noted that the Commission does not look at performance measures or standards or the City's budget.

Commissioner Tajiri acknowledged the work of the PIG and cited Section 3-122 of the Revised Charter of the City and County of Honolulu, which states that, "The commission shall set salaries in accordance with the principle of adequate compensation for work performed, and preservation of a sensible relationship with the salaries of other city employees." He compared the compensation and benefits of other government employees, including state employees, under HRS Ch. 89C-3, titled "Adjustment for Excluded Civil Service Employees". Specifically HRS Ch. 89C(3)(b)(2) which states, that the employer must ensure that adjustment for excluded civil service employees result in compensation and benefit packages that are at least equal to compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction. He pointed out that Bargaining Unit 13 members will be receiving a 3.5% increase. Excluded managerial employees will also receive a 3.5% across the board increase. He then requested a representative of DHR to provide data regarding the percentage for within range progression for excluded managerial employees. DHR's representative responded that the range is 1.4%-2.4%. Commissioner Tajiri then pointed out that Salary Commission over the years has expressed concern over the inversion issue, and that past increases sought to "catch up" and remedy this disparity. He noted that if the Commission approves a 2.5%, this would result in creating the same inversion issue once again the following year. He felt that a 5% increase was a more reasonable percentage in order to maintain the "status quo" next year in light of increases to other City employees under negotiated pay increases under collective bargaining agreements. DHR's representative confirmed this observation. Based on the foregoing, Commissioner Tajiri

moved to amend the PIG's recommendations and recommended, instead, a 5% adjustment. The motion was seconded by Commissioner Ahakuelo.

Chair Buehler questioned whether or not the Commission could make amendments to the PIG's recommendations. Deputy COR Ernest Nomura confirmed that the Commission could make amendments and/or adjustments to what the PIG recommended. However, a recommendation was made to postpone voting on the amended proposal at today's meeting. The Commission would vote on it at a subsequent meeting after receiving public comment, if any.

Chair Buehler called for discussion by the Commissioners. Commissioner Ahakuelo stated that he agreed with Commissioner Tajiri and noted that the Commission does not necessarily know what the union bargaining rates are at the time the Commission makes its recommendations. DHR noted that in the annual packet submitted to the Commission, DHR discloses any known union settlements. Also included are the inversion numbers. It was also noted that it is difficult to compare City employee salaries to the private sector. DHR Director Carolee Kubo provided an update regarding the current negotiations with the public employee unions. Director Kubo noted that a 2.5% adjustment would create further inversion; and that the recommended 5% adjustment would maintain status quo. Indeed, DHR noted that HGEA announced that Bargaining Unit 9 was ratified at a 4% upward adjustment.

The Commissioners voted on the motion before it. The motion was passed. Public testimony on the amended recommendations would take place at the next meeting.

5. DECISION MAKING ON CERTAIN SALARY COMMISSION RECOMMENDATIONS

There being no public testimony on the proposed increases for Police Chief, Fire Chief, Deputy Police Chiefs, Deputy Fire Chief, Chair Buehler requested to take a vote to establish the salaries as stated in the public hearing notice, with rounded adjustments.

Police Chief: \$173,424. Commissioners Buehler, Ahakuelo, Kelai, Peters-Nguyen, Sakamoto, and Tajiri voted aye. Hearing no objections, it passes.

Fire Chief: \$167,904. Commissioners Buehler, Ahakuelo, Kelai, Peters-Nguyen, Sakamoto, and Tajiri voted aye. Hearing no objections, it passes.

Deputy Police Chiefs: \$165,384. Commissioners Buehler, Ahakuelo, Kelai, Peters-Nguyen, Sakamoto, and Tajiri voted aye. Hearing no objections, it passes.

Deputy Fire Chief: \$160,128. Commissioners Buehler, Ahakuelo, Kelai, Peters-Nguyen, Sakamoto, and Tajiri voted aye. Hearing no objections, it passes.

6. SCHEDULING OF NEXT MEETING

The next scheduled meeting will be on Tuesday, April 21, at 1:30 p.m.

7. ADJOURNMENT

There being no further business, Commissioner Peters-Nguyen moved to adjourn the meeting and Commissioner Ahakuelo seconded the motion. Hearing no objections from the six Commissioners present, the meeting adjourned at 2:02 p.m.

Respectfully submitted,



Sharleen H. Oshiro
Executive Secretary